

MINUTES

MONTANA SENATE 56th LEGISLATURE - REGULAR SESSION COMMITTEE ON STATE ADMINISTRATION

Call to Order: By **CHAIRMAN MACK COLE**, on January 20, 1999 at 10:00 A.M., in Room 331 Capitol.

ROLL CALL

Members Present:

Sen. Mack Cole, Chairman (R)
Sen. Don Hargrove, Vice Chairman (R)
Sen. Jon Tester (D)
Sen. Jack Wells (R)

Members Excused: Sen. Bill Wilson (D)

Members Absent: None.

Staff Present: David Niss, Legislative Branch
Mary Morris, Acting Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary: Governor's Board Appointments
Assignments

CHAIRMAN COLE announced the committee will not hear any bills today, that 2 bills have been assigned to the committee but are not yet scheduled for hearing.

There was discussion among the committee members regarding SB195. It was determined that there was a tie vote on the amendment as **SEN. WELLS** was not available to vote. **SEN. TESTER** reported that he talked to **Kelly Jenkins**, who indicated this measure would increase the debt of PERS because the eligible veterans would not be purchasing the additional service, that it would be given to them, and this was not what he understood from the hearing. He asked if other committee members had misunderstood this situation.

SEN. WELLS said he did not see a fiscal note, and **CHAIRMAN COLE** indicated that executive action was being held until the fiscal note is available. **SEN. WELLS** noted that he also spoke with **Mr. Jenkins**, who indicated the funding would come out of the retirement fund pool, and he would like to see the fiscal note and discuss it more before taking action on the bill.

SEN. HARGROVE explained that anyone who has 10 years in the PERS can buy in, but Vietnam or Korean veteran with 10 years in PERS can get 4 years free. **Mr. Niss** pointed out that one of the suggested solutions to the cost was to decrease the number of years that can be purchased to 2, or to have the veteran pay half the cost. **SEN. HARGROVE** pointed out that, if that many meet the criteria and there's no cost, the fiscal note might be right, and maybe they should decrease the amount they can get. He asked if a person applies for, and receives the 4 free years of service, can they still purchase additional service. **Mr. Niss** indicated that they could. **CHAIRMAN COLE** agreed it could cost \$16 million. **SEN. HARGROVE** pointed out there is an element of fairness, as pointed out previously.

{Tape : 1; Side : A; Approx. Time Counter : 0 - 12}

There was further discussion regarding the bill, the fiscal impact, and the possible alternatives. **CHAIRMAN COLE** indicated the committee would not take any action until more information is available.

CHAIRMAN COLE indicated he would distribute the list of the Governor's Board Appointments and each committee member could select those boards they wish assigned to them. Each committee member will be assigned approximately 30-35 names to contact.

There was discussion regarding the assignment of these appointments. **SEN. HARGROVE** presented a list of those boards he would like assigned to him, but offered to make any changes the committee would like.

CHAIRMAN COLE went over the list and made the committee assignments. **EXHIBIT(sts15a01)**

{Tape : 1; Side : A; Approx. Time Counter : 12 - 41; Comments : End of Side A, Tape 1}

There was discussion regarding investigating and confirming these board appointees.

CHAIRMAN COLE brought the committee's attention back to SB195, pointed out that the fiscal note had been delivered to the

committee and asked if each member had a copy. **EXHIBIT (sts15a02)**

SEN. TESTER noted that the fiscal note was based on 2.4 years.

CHAIRMAN COLE asked if the committee would like more time to study the fiscal note, or if they prefer to take executive action at this time.

SEN. WELLS asked how the fiscal impact was calculated, and if the liability was the total for the lifetime of those 1440 eligible veterans, or an annual liability. **SEN. HARGROVE** said he thinks they need to ask those questions. **CHAIRMAN COLE** asked **Mr. Niss** to have **Mr. O'Connor** attend the committee hearing tomorrow.

{Tape : 1; Side : A; Approx. Time Counter : 41 - 50}

Mr. Niss indicated that the assumption is correct, that it is calculated backwards starting with the number of years and the number of people who qualify under the terms of the statute, which is 4 years, and that is how they arrived at that .0029% of their compensation, depending upon what all of those who are qualified are being paid. **SEN. HARGROVE** asked if the \$16 million is the lifetime liability, and **Mr. Niss** confirmed that it is.

CHAIRMAN COLE noted that SJ4 and SB228 have not yet been scheduled for hearing, and asked that SJ4 be scheduled as soon as possible. He will notify the committee when SB228 has been scheduled. After discussion, he asked that the Governor's Board Appointments be completed by Friday, January 29th.

ADJOURNMENT

Adjournment: 11:00 A.M.

SEN. MACK COLE, Chairman

MARY MORRIS, Acting Secretary

MC/MM

EXHIBIT (sts15aad)